



Learning Matters

Spring 2004

Annual Review of the South Carolina Teacher Loan Program

This report summarizes findings of an annual review of the South Carolina Teacher Loan program conducted by the SC Education Oversight Committee.

A full copy of the 2003 Teacher Loan Program review is available at www.sceoc.org on the Reports and Publications page.

Introduction

The Teacher Loan Program, established by the Education Improvement Act of 1984, provides loans to qualified state residents attending public or private colleges and universities so that the residents may become certified teachers. Loans are forgiven through employment as teachers in areas of critical need. Critical need is defined as either a geographic or certification area.

The State Board of Education (SBE) has the responsibility to designate critical areas. Critical geographic areas of the state are identified through several factors including the degree of wealth, distance from shopping and entertainment centers, and faculty turnover. In 1984-85, 69 of the 91 school districts qualified as critical geographic districts. Over the life of the program, the criteria for designation as a critical geographic area have changed. In 1994, schools in urban districts that had the fifteen highest average teacher turnover rates were designated as critical geographic need schools. In 2000-2001, the SBE adopted levels of free and reduced lunch program criteria that also are used by the federally funded Perkins Loan Program. For the 2002-2003 and 2003-2004 school years, 993 of the 1,115 (89 percent) of South Carolina public schools qualify as critical geographic need.

Only two certification areas – mathematics and science - were designated as critical during the early years of the program, but recent teacher shortages have expanded the number of eligible certification areas. To determine the certification areas, the South Carolina Center for Educator Recruitment, Retention and Advancement (CERRA) conducts a supply and demand survey of all 85 South Carolina school

districts. Beginning in 2002-2003, eligible certification areas are those with 20 percent or higher vacancy and/or are filled with candidates who are not fully certified in the certification area are designated as areas of critical need.

Qualified applicants of the Teacher Loan Program must be: (1) a United States citizen; (2) a resident of South Carolina; (3) enrolled in good standing at an accredited public or private college or university on at least a half-time basis; and (4) enrolled in a program of teacher education or have expressed an intent to enroll in such a program (SC SLC, 2001). Entering freshmen must be in the top 40 percent of their high school graduating class and have an SAT or ACT score equal to or greater than the SC average. Undergraduate students must have passed the Praxis II, which replaced the SC Educator Entrance Examination (EEE), and have a cumulative grade point average of at least 2.75 on a 4.0 scale. Entering graduate students must have at least an undergraduate grade point average of 2.75 on a 4.0 scale. Graduate students who have completed at least one term must have a grade point average of 3.5 or better on a 4.0 scale and must be seeking initial certification in a critical subject area if the applicant already holds a teaching certificate.

The amount of loan awarded varies depending upon student status. College freshmen and sophomores may borrow up to \$2,500 per year. Juniors, seniors and graduate students may borrow up to \$5,000 per year. The aggregate maximum amount an individual student may borrow is \$15,000.

Overview

The Teacher Quality Act of 2000 provides that the EOC “shall review the [SC Teacher] loan program annually and report to the General Assembly” (§59-26-20 (j), SC Code of Laws of 1976, as amended). The review covered two years from 2001 to 2003 but subsequent studies address only one year.

Information for the review was taken from data from 1994-1995 through 2002-2003 school years. Information on the years 1984-1985 through 1993-1994 were incomplete and not included in the study.

The findings of the review were:

1. The Teacher Loan Program continues to fulfill the statutory mission to attract individuals into the teaching profession and into areas of critical need;
2. White females constitute the vast majority of the applicants;
3. The sharing of information among the various agencies involved with the program has improved;
4. The scholarship programs established by the General Assembly have not negatively impacted the TLP; and
5. There was a significant increase in the average SAT score of Teacher Loan Program applicants between 1998-1999 and 2002-2003.

Finding Number 1

The Teacher Loan Program continues to fulfill the statutory mission to attract individuals into the teaching profession and into areas of critical need.

This finding is based on the number of applications received at the Student Loan Corporation (SLC), factors leading individuals to apply for the loans, and the number of teachers presently employed in South Carolina public schools.

The numbers of applicants to the TLP from the 1995 fiscal year through the 2003 fiscal year are shown in Table 1. During those years SLC received 16,687 applications; the number of applications includes those individuals who applied more than one time. Of the 16,687 applications, two-thirds or 66.6 percent were approved for loans and 26 percent were denied; the remaining applications were not processed because they were canceled by the applicant. The majority of individuals denied loans did not meet the academic requirements for the program or had not taken the EEE or Praxis exams needed to remain in the program.

Table 1: Application Status of Applicants 1994-95 through 2002-03

Year	Total Applied	Approved Number (percent)	Application Cancelled Number (percent)	Denied Number (percent)	Reason for Denial				
					Credit Problem	Academic Reason	No EEE Praxis	Other	Inadequate Loan Funds
1994-95	2,242	1,416 (63.2)	176 (7.8)	650 (29)	48	241	69	52	240
1995-96	2,024	986 (48.7)	176 (8.7)	862 (42.6)	8	229	115	20	490
1996-97	1,446	982 (67.9)	118 (8.2)	346 (23.9)	5	262	51	28	
1997-98	1,545	1,117 (72.3)	119 (7.7)	309 (20)	3	201	63	42	
1998-99	1,569	1,138 (72.5)	128 (8.2)	303 (19.3)	10	182	54	57	
1999-00	1,532	1,121 (73.2)	85 (5.5)	326 (21.3)	6	206	69	45	
2000-01	2,028	1,495 (73.8)	112 (5.5)	420 (20.7)	16	244	86	74	
2001-02	2,297	1,536 (66.9)	106 (4.7)	655 (28.5)	8	312	122	56	157
2002-03	2,004	1,332 (66.5)	110 (5.5)	562 (28)	3	219	139	73	126
TOTAL	16,687	11,123 (66.6)	914 (7.4)	4,433 (26)	107 (2.4)	2,096 (47.3)	768(17.3)	447 (10.1)	1,013 (22.8)

Note: Percentages may not equal 100 due to rounding

Finding Number 1

(Continued)

How did applicants learn about the TLP? Most financial aid officers did not mention the program to students until the student declared himself/herself to be an education major. Other applicants, most of whom were juniors and seniors, learned of the program from officials in their college or department of education. One source of information – high school Teacher Cadet Program – stood out as increasing the number of applicants, beginning with their freshman year (Table 2).

The Teacher Cadet Program encourages academically talented or capable students with exemplary interpersonal and leadership skills to consider teaching as a career. Slightly more than one-third of TLP applicants were Teacher Cadets. In 2002-2003, there were 2,302 Teacher Cadets in 140 schools. Potential Teacher Cadets must have at least a 3.0 average in a college preparatory curriculum, be recommended in writing by five teachers, and submit an essay on why he/she wants to participate in the program.

Table 2: Distribution of Applicants to the Teacher Loan Program by Teacher Cadet Program Participation 1994-95 through 2002-2003

Year	Number Applied	Teacher Cadets	Percent	Not Teacher Cadets	Percent	Unknown	Percent
1994-95	2,242	761	34	1,348	60	133	6
1995-96	2,024	751	37	1,203	59	70	3
1996-97	1,446	537	37	864	60	45	3
1997-98	1,545	545	35	946	61	54	4
1998-99	1,569	577	37	939	60	53	3
1999-00	1,532	560	37	896	58	76	5
2000-01	2,028	685	34	1,245	61	98	5
2001-02	2,297	773	34	1,269	60	155	7
2002-03	2,004	727	36	1,209	60	68	3
TOTAL	16,687	4,416	36	7,441	60	752	4

Note: Percentages may not equal 100 due to rounding
Source: SC Student Loan Corporation, 1995-2003



Finding Number 1 (Continued)

By matching loan recipients with information from the SC Office of Teacher Certification, the EOC determined that 3,826 individuals who received loans between 1994-1995 and 2002-2003 are serving in public schools. Nearly 90 percent of them were involved in direct classroom instruction (3,440 of 3,826), and 14 were serving as Teacher Specialists, less than two percent were building level administrators, and another five percent were media specialists or guidance counselors (Table 3).

Table 3: Loan Recipients Serving in SC Public Schools as of 2002-2003 by Position

Position	Number	Percent
Principal	13	0.34
Asst. Prin., Co-Prin., Curr. Coord.	41	1.07
Special Educ. (Itinerant)	20	0.52
Child Development	47	1.23
Kindergarten	148	3.87
Special Educ. (Self-Contained)	284	7.42
Special Educ. (Resource)	315	8.23
Classroom Teacher	2,591	67.72
Other Professional Instr. Staff	15	0.439
Librarian/Media Specialist	126	3.29
Guidance Counselor	50	1.31
Other Professional Instructional-Oriented Staff	18	0.47
Speech Therapist	117	3.06
Temporary Instructional-Oriented Professional	3	0.08
Other Professional Positions	1	0.03
Director, Technology	1	0.03
Coordinator, Federal Projects	1	0.03
Director, Student Services	2	0.05
Other Professional Non-Instr. Staff	5	0.13
Teacher Specialist	14	0.37
English Coordinator	1	0.02
Education Evacuator	1	0.03
Special Education Coordinator	2	0.05
Early Childhood Coordinator	2	0.05
Psychologist	3	0.08
Title I, Instructional Paraprofessionals	1	0.03
General Teacher Aides	1	0.03
Literacy Coach	3	0.08
Other County Office/District Office Staff	1	0.03
Total	3,826	100



Finding Number 2

White females constitute the vast majority of the applicants.

The dominance of white female applicants to the TLP reflects the demographics of the teaching force for both the state and nation. In 2001-2002, more than 63 percent of SC teachers were white females. More than 81 percent of teachers were female and more than 76 percent classified themselves as white. Similar rates are true for the US. (Tables 4 and 5)

Table 4: Distribution of Applicants to the Teacher Loan Program by Gender
1994-95 through 2002-2003

Year	Number Applied	Gender					
		Male		Female		Unknown	
		Number	Percent	Number	Percent	Number	Percent
1994-95	2,242	246	11	1,476	66	520	23
1995-96	2,024	305	15	1,692	84	27	1
1996-97	1,446	195	13	1,189	82	62	4
1997-98	1,545	247	16	1,241	80	57	4
1998-99	1,569	261	17	1,267	81	41	3
1999-00	1,532	263	17	1,212	79	57	4
2000-01	2,028	299	15	1,628	80	101	5
2001-02	2,297	288	13	1,769	77	240	10
2002-03	2,004	246	12	1,599	80	159	8
TOTAL	16,687	2,350	14	13,073	78	1,264	8

Note: Percentages may not equal 100 due to rounding

Table 5: Distribution of Applicants to the Teacher Loan Program by Race/Ethnicity
1994-95 through 2002-2003

Year	Number Applied	Ethnicity							
		African-American		Other		White		Unknown	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent
1994-95	2,242	210	9	20	1	1,580	70	432	19
1995-96	2,024	271	13	31	2	1,664	82	58	3
1996-97	1,446	236	16	14	1	1,115	77	81	6
1997-98	1,545	258	17	12	1	1,195	77	80	5
1998-99	1,569	301	19	9	1	1,193	76	66	4
1999-00	1,532	278	18	14	1	1,164	76	76	5
2000-01	2,028	310	15	25	1	1,555	77	138	7
2001-02	2,297	361	16	15	1	1,630	71	291	13
2002-03	2,004	280	14	14	1	1,506	75	204	10
TOTAL	16,687	2,505	15	154	1	12,602	76	1,426	8

Note: Percentages may not equal 100 due to rounding

Source: SC Student Loan Corporation, 1995-2003

Finding Number 3

The sharing of information among the various agencies involved with the Program has improved.

Five agencies participated in the planning and execution of the review:

- Student Loan Corporation
- Office of Teacher Certification at the South Carolina Department of Education
- Commission on Higher Education (CHE)
- CERRA
- EOC

To further the cooperation, an advisory committee to aid in the annual evaluation of the TLP has been formed. Representatives from the SLC, SDE, CHE, CERRA and EOC compose the advisory group. (Table 6)

Table 6: Loan Recipients serving in South Carolina schools in 2002-03 matched with the Scholarship File

Scholarship	CAT_CODES	1998	1999	2000	2001	2002	Grand Total
LIFE	Public Senior Inst.	259	205	138	75	1	678
	Reg. Campuses of USC	7	3				10
	Technical Colleges	11					11
	Independent Senior Inst.	132	98	63	34		327
Palmetto Fellows	Public Senior Inst.				2		2
Grand Total		409	306	201	111	1	1,028



Finding Number 4

The scholarship programs established by the General Assembly have not negatively impacted the TLP.

The initial TLP review (May 2002) raised the issue of whether newly created state scholarship programs for colleges and universities were adversely affecting the TLP. The four scholarship programs in question are: (1) the Teaching Fellows Program created in 1999 to recruit up to 200 high achieving high school seniors each year into teaching; (2) the Palmetto Fellows Program; (3) the Life Scholarships; (4) the Hope Scholarships. As shown in Table 1, the number of individuals applying for a loan has not significantly changed over the last few years. Tables 7 and 8 display data to affirm that the scholarship programs have not adversely affected the number of individuals majoring in education.

Table 7: Students that received scholarships for each fall term and had declared an Education Major

Scholarship	1998	1999	2000	2001	2002	5-Year Total
Hope					298	298
LIFE	1,051	1,255	1,225	2,144	2,659	8,334
Palmetto Fellows				154	179	333
Total	1,051	1,255	1,225	2,298	3,136	8,965

Table 8: Number of Scholarship Recipients

Scholarship	1998	1999	2000	2001	2002	5-Year Total
Hope					2,082	2,082
LIFE	14,618	16,374	16,560	19,464	23,315	90,331
Palmetto Fellows				2,606	2,914	5,520
Total	14,618	16,374	16,560	22,070	28,311	97,933

Finding Number 5

There was a significant increase in the average SAT score of Teacher Loan Program applicants between 1998-1999 and 2002-2003.

There was a dramatic increase in the average applicant score from 1998-1999 to 2002-2003 (Table 9). The average for 2002-2003 of 1024 was 43 points higher than the state average of 981 for seniors in 2002 and four points higher than the national average of 1020.

Table 9: Average SAT Scores of Loan Applicants

	1998-99	1999-00	2000-01	2001-02	2002-03	Average
Average SAT score	961.1	960.9	971.3	997.9	1024.1	986.3



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Recommendations

Based on information presented in the full report, the following recommendations were made:

1. The General Assembly should develop long range goals and objectives for the Teacher Loan Program.
2. The General Assembly should amend the enabling legislation for the program to allow the program to assist teachers in obtaining advanced degrees in exchange for service in critical geographic need schools.
3. Schools rated Unsatisfactory and Below Average should not become a classification of critical geographic need schools.
4. Movement of teachers educated with funds from the TLP from school to school should be studied to determine if the program has an impact on providing long term solutions to critical geographic need schools.
5. A study should be conducted to determine why roughly half of the loan recipients pay back the loans in monthly installments instead of cancellation by teaching.

